

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
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FELIX DE JESUS,

Plaintiff,

-v-

EMPIRE SZECHUAN NOODLE
HOUSE INC., *et al.*,

Defendants.
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ORDER

18-CV-1281 (JLC)

JAMES L. COTT, United States Magistrate Judge.

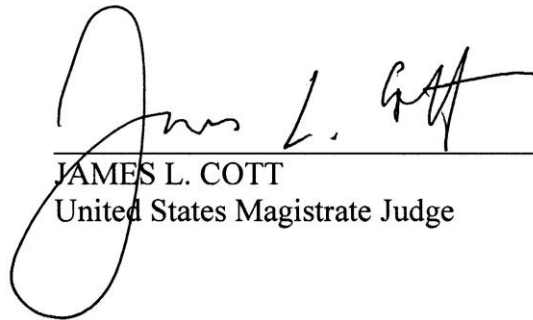
The Court has preliminarily reviewed the proposed settlement agreement (Dkt. No. 81-1) and does not understand one part of the section entitled “Settlement Compensation and Full General Release”¹ in paragraph 2, page 2, which provides:

The parties agree that Defendants will only issue a 1099 form to Lee Litigation Group, PLLC, who shall issue a 1099 form to Claimant. The total settlement amount shall be reported on Form 1099-MISC in the box “Gross proceeds paid to an attorney.” Lee Litigation Group, PLLC will provide Defendants its Form W-9.

It does not appear that any of the payment to be made is being deemed wage income (nor is the provision of a W-2 tax form to plaintiff noted, as is typical in these cases). The parties are directed to explain the meaning of this provision, and if it is the case that 100% of plaintiff’s recovery is considered non-wage income, then the basis for that characterization. To that end, the Court does not understand what the parties mean by “gross payments paid to an attorney” when plaintiff himself is getting a \$20,000 payment under the terms of the proposed settlement. A letter addressing this issue should be filed no later than **February 19, 2020**.

SO ORDERED.

Dated: February 12, 2020
New York, New York



JAMES L. COTT
United States Magistrate Judge

¹ Given that the release is limited to wage-and-hour claims, it is really a limited release, not a general release.